

## Internal Revenue Service

Number: **202304005**

Release Date: 1/27/2023

Index Number: 355.00-00, 355.01-00,  
355.01-01, 361.00-00,  
368.00-00, 368.04-00

Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:CORP:B01

PLR-109822-22

Date:

November 01, 2022

### Legend

Distributing =

Controlled =

LLC1 =

Sub1 =

State A =

State B =

State C =

Business A =

Business B =

Business C =

Date 1 =

a =

b =

c =

d =

e =

f =

Distributing Debt =

Deferred Payment  
Obligation =

Bridge Debt =

Continuing  
Arrangements =

Preparatory Internal  
Transactions =

Overlapping  
Directors =

Banks =

Dear :

This letter responds to your letter dated May 16, 2022, requesting rulings on certain federal tax consequences of a series of transactions (the “Proposed Transaction”). The material information submitted in that request and subsequent correspondence is summarized below.

This letter is issued pursuant to Rev. Proc. 2017-52, 2017-41 I.R.B. 283, as amplified and modified by Rev. Proc. 2018-53, 2018-43 I.R.B. 667, regarding one or more “Covered Transactions” under sections 355 and 368 of the Internal Revenue Code (the “Code”) and pursuant to section 6.03(2) of Rev. Proc. 2022-1, 2022-1 I.R.B. 1, regarding one or more significant issues under section 355 of the Code. This Office expresses no opinion as to any issues not specifically addressed by the rulings below.

The rulings contained in this letter are based upon facts and representations submitted by the taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

This Office has made no determination regarding whether the Proposed Transaction (as defined below): (i) satisfies the business purpose requirement of Treas. Reg. section 1.355-2(b); (ii) is used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both (see section 355(a)(1)(B) and Treas. Reg. section 1.355-2(d)); or (iii) is part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in the distributing corporation or the controlled corporation, or any predecessor or successor of the distributing corporation or controlled corporation, within the meaning of Treas. Reg. section 1.355-8 (see section 355(e)(2)(A)(ii) and Treas. Reg. section 1.355-7).

### **Summary of Facts**

Distributing is a publicly traded State A corporation and the parent company of a worldwide group of domestic and foreign affiliates and is the common parent of an affiliated group of corporations electing to file a consolidated U.S. federal income tax return. Distributing is engaged in Business A and Business B (including Business C which operates as a division of Business B) directly and through its domestic and foreign subsidiaries.

At the time of the Proposed Transaction, Distributing will have a single class of common stock issued and a classes of preferred stock issued and outstanding. Also, Distributing will wholly own (through entities disregarded as separate from Distributing) all of the outstanding equity interests in LLC1, a State B limited liability company, and Sub1, a State C corporation.

As of Date 1, Distributing had Distributing Debt outstanding as well as a Deferred Payment Obligation. Distributing may incur Bridge Debt prior to the Distribution (defined below) or within b months following the Distribution to refinance some of the Distributing Debt.

For purposes of satisfying the active trade or business requirements of section 355(b) with respect to the External Spin-Off, Distributing and the members of its “separate affiliated group” as defined in section 355(b)(3)(B) have relied on Business A, and Controlled and the members of its “separate affiliated group” as defined in section 355(b)(3)(B) have relied on Business C. Financial information has been submitted in accordance with Rev. Proc. 2017-52 indicating that each of Business A and Business C has had gross receipts and operating expenses representing the active conduct of a trade or business for each of the past five years.

### **Proposed Transaction**

In preparation for the Proposed Transaction, Distributing has undertaken and will undertake the Preparatory Internal Transactions to separate Business B from Business A. After the Preparatory Internal Transactions are completed, Distributing will own all of the outstanding equity interests in Controlled, a State B limited liability company disregarded as separate from Distributing for US federal tax purposes. Controlled will directly and indirectly (through domestic and foreign subsidiaries) own domestic and foreign assets associated with Business B.

For what are represented to be valid business purposes, Distributing proposes to engage in the following transactions (the “Proposed Transaction”) to separate Business B from Business A.

Step 1: Controlled will elect to be classified as a corporation for US federal tax purposes, as a result of which Distributing will hold all of the common stock of Controlled. Controlled will convert under State B law to a State B corporation.

Step 2: Controlled will borrow cash from one or more third-party lenders (the “Controlled Debt”).

Step 3: Controlled will distribute cash in an amount not to exceed the Controlled Debt to Distributing (the “Controlled Distributed Debt Proceeds”) and issue debt securities of Controlled to Distributing (the “Controlled Securities”) (Steps 1, 2, and 3 together the “Contribution”). Distributing will not segregate the Controlled Distributed Debt Proceeds in a separate bank account or otherwise. Distributing will use an amount of cash equal to or greater than the amount of the Controlled Distributed Debt Proceeds to (i) satisfy Distributing Debt and/or Bridge Debt; (ii) make payments with respect to the Deferred Payment Obligation; (iii) make distributions to Distributing shareholders; (iv) repurchase shares of Distributing common or preferred stock including in the open market or through an accelerated share repurchase (“ASR”); and/or (v) repay ordinary course liabilities (together, the “Cash Boot Purge”). Distributing may satisfy some of the Distributing Debt prior to the Distribution.

Under the plan of the External Spin-Off, the Preparatory Internal Transactions may not have been completed at the time Controlled incurs the Controlled Debt, issues the Controlled Securities, or distributes the Controlled Distributed Debt Proceeds. In such case, the election by Controlled to be classified as a corporation for US federal tax purposes will be made effective prior to any such transactions, and Distributing will have committed to complete, or will have completed, the Preparatory Internal Transactions.

Step 4: Distributing will distribute at least c percent of the common stock of Controlled pro rata to its holders of common stock or pursuant to an exchange by Distributing in redemption of its shares (the “Distribution”). Distributing may retain up to d percent of the common stock of Controlled (the “Remainder Shares”).

Step 5: Prior to or following the Distribution, the following steps may occur (collectively, the “Debt-for-Debt Exchange”):

(a) One or more Banks will make a loan to Distributing (the “First Refinancing Debt”) in an amount based on the anticipated fair market value of the Controlled Securities to be issued in the Contribution. The First Refinancing Debt proceeds will not be segregated in a separate bank account or otherwise. Within b months following the Distribution, Distributing will use an amount equal to the proceeds of the First Refinancing Debt to pay principal, interest or premium on Distributing Debt, the Deferred Payment Obligation, and/or the Bridge Debt. Distributing may satisfy some of the Distributing Debt prior to the Distribution.

(b) At least e days after issuance of the First Refinancing Debt, Distributing will enter into an exchange agreement with the Bank pursuant to which Distributing will transfer Controlled Securities to the Bank in exchange for (and in retirement of) some or all of the First Refinancing Debt (the “Debt-for-Debt Exchange Agreement”). The pricing of the Controlled Securities and the exchange ratio for the Debt-for-Debt Exchange will be fixed on the date on which the Debt-for-Debt Exchange Agreement is entered into.

After Distributing and the Bank enter into the Debt-for-Debt Exchange Agreement, Distributing will deliver the Controlled Securities to the Bank in satisfaction of the First Refinancing Debt. In all cases, the Debt-for-Debt Exchange Agreement will be entered into and the Controlled Securities will be transferred to the Bank in satisfaction of the First Refinancing Debt within b months following the date of the Distribution.

It is currently expected that the Debt-for-Debt Exchange will be executed prior to the Distribution. However, depending on market conditions, Distributing may hold the Controlled Securities and incur the First Refinancing Debt and enter into the Debt-for-Debt Exchange Agreement after the Distribution. In any event, the Debt-for-Debt Exchange Agreement will be entered into and the Controlled Securities will be transferred to Bank in satisfaction of the First Refinancing Debt no later than b months following the Distribution.

Step 6: Following the Distribution, the following steps may occur if Distributing retains the Remainder Shares (collectively, the “Debt-for-Equity Exchange,” and together with the Debt-for-Debt Exchange, the “Debt Exchanges”):

(a) The Bank will make a loan to Distributing (the “Second Refinancing Debt”) in an amount based on the anticipated fair market value of the Remainder Shares in the public offering or private placement described in Step 6(b). The Second Refinancing Debt proceeds will not be segregated in a separate bank account or otherwise. Within b months following the date of the Distribution, Distributing will use an amount equal to the proceeds of the Second Refinancing Debt to pay principal, interest or premium on the Distributing Debt, the Deferred Payment Obligation, and/or the Bridge Debt.

(b) At least e days after issuance of the Second Refinancing Debt, Distributing will enter into an exchange agreement with the Bank pursuant to which Distributing will transfer some or all of the Remainder Shares to the Bank in exchange for (and in retirement of) some or all of the Second Refinancing Debt (the “Debt-for-Equity Exchange Agreement”). The pricing of the Remainder Shares and the exchange ratio for the Debt-for-Equity Exchange will be fixed on the date on which the Debt-for-Debt Exchange Agreement is entered into.

After Distributing and the Bank enter into the Debt-for-Equity Exchange Agreement, Distributing will deliver the Remainder Shares to the Bank in satisfaction of the Second Refinancing Debt. In all cases, the Debt-for-Equity Exchange Agreement will be entered into and the Remainder Shares will be transferred to the Bank in satisfaction of the Second Refinancing Debt within b months following the Distribution.

Step 7: If Distributing retains the Remainder Shares and does not enter into the Debt-for-Equity Exchange with all of the Remainder Shares during the b months following the Distribution, Distributing will (i) distribute some or all of the Remainder Shares within b months of the date of the Distribution pro rata to its public common shareholders (a “Clean-Up Spin”) or pursuant to an exchange offer in redemption of shares (a “Clean-Up

Split”), and/or (ii) sell some or all of the Remainder Shares in one or more public or private sales as soon as warranted, taking into account the business purpose for the retention, market and general economic conditions, and sound business judgement, but in no event later than    years after the date of the Distribution.

The Contribution, the Distribution, the Cash Boot Purge, the Debt-Exchanges, the repayment of Distributing Debt, the Deferred Payment Obligation, and/or Bridge Debt with the proceeds of the Controlled Distributed Debt Proceeds, First Refinancing Debt and/or Second Refinancing Debt, and any Clean-Up Spin or Clean-Up Split are collectively referred to as the “External Spin-Off.”

Following the Distribution certain individuals will serve as members or officers of the board of Distributing and Controlled (the “Overlapping Directors”). The Overlapping Directors will constitute a minority of Controlled’s board of directors. Under Controlled’s governing documents, the Overlapping Directors will be subject to reelection as directors of Controlled by Controlled’s shareholders following Distribution in a manner consistent with those of Controlled’s other directors.

In connection with the Distribution, Distributing and/or certain of its subsidiaries, on the one hand, and Controlled and/or certain of its subsidiaries, on the other hand, will enter into Continuing Arrangements.

### **Representations**

The following representations have been made with respect to the External Spin-Off:

Except as set forth below, Distributing has made all of the representations in section 3 of the Appendix to Rev. Proc. 2017-52, 2017-41 I.R.B. 283.

Distributing has made the following alternative representations:

Representations 3(a), 11(a), 15(a), 31(a), and 41(a)

Distributing has not made the following representations, which do not apply to the External Spin-Off:

Representations 24, 25, and 40

Distributing has not made the following representations, but provided the required explanations:

Representation 37

Distributing has made the following modified representations:

Representation 2: In the Distribution, Distributing will distribute at least c percent of the stock of Controlled.

Representation 4: Other than the Controlled Securities, no indebtedness owed by Controlled to Distributing after the Distribution will constitute stock or securities of Controlled or any other entity.

Representation 5: To the extent the Distribution is effected as a pro rata dividend, other than Controlled stock transferred in the Debt-for-Equity Exchange and Controlled Securities transferred in the Debt-for-Debt Exchange, none of the Controlled stock, Controlled Securities, or Property other than stock and securities of Controlled ("Other Property") to be distributed in the Distribution will be received in any capacity other than that of a shareholder of Distributing.

Representation 6: To the extent the Distribution is effected as a pro rata dividend, no shareholder of Distributing will surrender Distributing stock in the Distribution.

Representation 7: To the extent the Distribution is effected as an exchange offer in redemption of outstanding shares of Distributing, the fair market value of Controlled stock, Controlled Securities, or Other Property to be received by each shareholder of Distributing that surrenders Distributing stock will be approximately equal to the fair market value of Distributing stock surrendered by the shareholder in the transaction.

Representation 8(b): Distributing has securities outstanding, but it will not distribute Controlled stock, Controlled Securities or Other Property to any holder of such securities in the Distribution, in satisfaction thereof, except potentially pursuant to the Cash Boot Purge, the Debt-for-Equity Exchange, or the Debt-for-Debt Exchange.

Representation 22(b): With respect to Property being transferred by Distributing to Controlled as part of the External Spin-Off for which an investment credit determined under section 46 has been (or will be) claimed, the income tax obligation for the taxable year in which the Property is transferred will be adjusted pursuant to section 50(a)(1) or (a)(2) as required to reflect an early disposition of the Property.

Representation 23: Other than potentially as a result of the Continuing Arrangements, the External Spin-Off does not involve and will not result in a situation in which one party recognizes income, but another party recognizes the deductions associated with such income or a situation in which one party owns Property, but another party recognizes the income associated with such Property.

Representation 32: Except for the Controlled Securities, debt potentially incurred under the Continuing Arrangements or ordinary course payables and receivables, no intercorporate debt will exist between Distributing and Controlled at the time of, or subsequent to, the Distribution.



Representation 33: Except as contemplated by the Continuing Arrangements, payments made in connection with all continuing transactions, if any, between Distributing and Controlled after the Distribution will be for fair market value based on arm's-length terms.

Representation 45: Distributing will not dispose of any Controlled stock in anticipation of the External Spin-off, other than potentially pursuant to the Debt-for-Equity Exchange.

Representation 46: Other than potentially pursuant to the Controlled Debt, Controlled will not issue stock or securities to a person other than Distributing in anticipation of the External Spin-Off.

Except as set forth below, Distributing has made all of the representations in section 3.04 of Rev. Proc. 2018-53, 2018-43 I.R.B. 667.

Distributing has made the following modified representation:

Representation 3: The holder(s) of the Bridge Debt may be a Related Person to Distributing. The holder of the Distributing Debt that will be assumed or satisfied will not hold the debt for the benefit of Distributing, Controlled, or any Related Person. The holder(s) of the Bridge Debt, the First Refinancing Debt and the Second Refinancing Debt will not hold such debt for the benefit of Distributing, Controlled, or any Related Person (other than any Related Person that is itself the holder of the Bridge Debt). None of Distributing, Controlled, or any related person (within the meaning of section 267(b) and 707(b)(1) and including the holders of the Bridge Debt) will participate in any profit gained by the Bank upon an exchange of §361 Consideration; nor will any such profit be limited by agreement or other arrangement. The value of the §361 Consideration received by the Bank in satisfaction of the First Refinancing Debt (or a portion thereof) and the Second Refinancing Debt (or a portion thereof) will be determined pursuant to arm's-length negotiations.

Representation 4: Distributing incurred the Distributing Debt that will be assumed or satisfied with the Bridge Debt, the First Refinancing Debt, or the Second Refinancing Debt (a) before the request for any relevant ruling is submitted and (b) no later than 60 days before the earliest of the following dates: (i) the date of the first public announcement (as defined in Treasury Regulations section 1.355-7(h)(10)) of the External Spin-Off or a similar transaction, (ii) the date of the entry by Distributing into a binding agreement to engage in the External Spin-Off or a similar transaction, and (iii) the date of approval of the External Spin-Off or a similar transaction by the Distributing Board.

Representation 6: There are one or more substantial business reasons for any delay in satisfying the Distributing Debt pursuant to the Cash Boot Purge, the Debt-for-Debt Exchange, or the Debt-for-Equity Exchange beyond 30 days after the date of the Distribution. All the Distributing Debt that will be satisfied pursuant to the Cash Boot Purge, the Debt-for-Debt Exchange, or the Debt-for-Equity Exchange will be satisfied no

later than b months after the Distribution Date. All of the First Refinancing Debt that will be satisfied with Controlled Securities will be satisfied no later than b months after the Distribution Date. All of the Second Refinancing Debt that will be satisfied with Controlled stock will be satisfied no later than b months after the Distribution Date. All of the Bridge Debt that will be satisfied with proceeds of the First Refinancing Debt will be satisfied no later than b months after the Distribution Date. All of the Bridge Debt that will be satisfied with proceeds of the Second Refinancing Debt will be satisfied no later than b months after the Distribution Date.

In addition, Distributing has made the following representations:

- (1) Any payment of Distributing Debt made by Distributing prior to the date of the Distribution will be made pursuant to the plan of reorganization that includes the External Spin-Off.
- (2) Except for the Overlapping Directors, none of Distributing Parent's directors or officers will serve as directors or officers of Controlled as long as Distributing Parent retains the Retained Shares.
- (3) Distributing's retention of Remainder Shares is for the business purpose of facilitating the Debt-for-Equity Exchange following the Distribution, or otherwise to repay Distributing Debt or other obligations and improve Distributing's capital structure.
- (4) Distributing will vote, or cause to be voted, any Remainder Shares in proportion to the votes cast by Controlled's other shareholders, and Distributing may grant a proxy to Controlled to effectuate such voting.
- (5) With respect to any repurchase of shares of the common or preferred stock of Distributing or Controlled, as applicable, after the Distribution Date, including potentially in the open market or through an ASR (a "Post-Closing Share Repurchase"), Distributing represents that:
  - (a) Any Post-Closing Share Repurchase will be motivated by a business purpose, and the stock that will be repurchased by Distributing or Controlled, as applicable, or acquired by a counterparty pursuant to an ASR, will be widely held.
  - (b) To the extent that any Post-Closing Share Repurchases are made on the open market (including through a Rule 10b5-1 plan, a purchase in compliance with Rule 10b-18, or a tender offer), Distributing or Controlled, as applicable, does not expect to know the identity of any shareholder from which stock will be repurchased. To the extent that any Post-Closing Share Repurchases are made through an ASR, Distributing or Controlled, as applicable, does not expect to know with certainty the identity of any shareholder from which stock is borrowed or purchased by each counterparty that participates in such ASR.

(c) There is no plan or intention that the aggregate amount of stock purchased or acquired through Post-Closing Share Repurchases will equal or exceed d percent of the outstanding stock of Distributing or Controlled, as applicable.

(d) No Post-Closing Share Repurchase will be motivated to any extent by a desire to increase or decrease the ownership percentage of any particular shareholder or group of shareholders.

### **Rulings**

Based solely upon the information submitted and the representations made, we rule as follows on the Proposed Transaction:

1. The Contribution, together with the Distribution (and any Clean-Up Spin or Clean-Up Split), will be a “reorganization” within the meaning of section 368(a)(1)(D). Distributing and Controlled will each be a “party to a reorganization” within the meaning of section 368(b).
2. Distributing will recognize no gain or loss on the Contribution. Sections 361(a), 361(b), and 357(a).
3. Controlled will recognize no gain or loss on the Contribution. Section 1032(a).
4. Controlled’s basis in each asset received from Distributing in the Contribution will be the same as the basis of the asset in the hands of Distributing immediately before the Contribution. Section 362(b).
5. Controlled’s holding period for each asset received in the Contribution will include the period during which Distributing held such asset. Section 1223(2).
6. Distributing shareholders will recognize no gain or loss (and no amount will be includible in income) upon the receipt of Controlled stock in the Distribution or any Clean-Up Spin or Clean-Up Split under section 355(a).
7. Distributing will recognize no gain or loss upon the Distribution or any Clean-Up Spin or Clean-Up Split. Section 361(c).
8. The Controlled Distributed Debt Proceeds will be treated as being distributed pursuant to the plan of reorganization for purposes of sections 361(b)(1)(A) and 361(b)(3).
9. The payment of Distributing Debt prior to the Distribution will not preclude its qualification as a payment to a creditor for purposes of section 361(b)(3) or section 361(c)(3).

10. Sub1 will be treated as a creditor of Distributing to the extent of the Deferred Payment Obligation payments for purposes of section 361(b)(3).

11. Distributing will recognize no gain or loss on any Debt Exchanges, other than (i) deductions attributable to the fact that Distributing Debt may be redeemed at a premium, (ii) income attributable to the fact that Distributing Debt may be redeemed at a discount, and (iii) interest expense accrued with respect to Distributing Debt. Section 361(c).

12. The aggregate basis of the Distributing common stock and the Controlled stock in the hands of Distributing's public shareholders immediately after the External Spin-Off (including any fractional share interest in Controlled stock to which a shareholder may be entitled) will be the same as the aggregate basis of the Distributing common stock held by Distributing's public shareholders immediately before the Distribution, allocated between Distributing stock and Controlled stock in proportion to the fair market value of each in accordance with Treasury Regulations section 1.358-2(a)(2). Section 358(a)-(c).

13. If a holder of Distributing common stock that purchased or acquired shares on different dates or at different prices is not able to identify which particular share of Controlled stock is received as a distribution with respect to, or in exchange for, a particular share of Distributing common stock, the holder may designate which particular share of Controlled stock is received as a distribution with respect to, or in exchange for, a particular share of Distributing common stock, provided the designation is consistent with the terms of the Distribution, Clean-Up Spin, or Clean-Up Split, as applicable. Treasury Regulations section 1.358-2(a)(2)(vii).

14. The holding period of the Controlled stock received by the Distributing public shareholders in the Distribution (including any fractional share interest in Controlled stock to which public shareholders may be entitled) will equal the holding period of the Distributing common stock with respect to which the distribution of Controlled stock will be made, provided that the Distributing common stock is held as a capital asset on the Distribution Date. Section 1223(1).

15. Earnings and profits will be allocated between Distributing and Controlled in accordance with section 312(h) and Treasury Regulations sections 1.312-10(a) and 1.1502-33(e), as applicable.

16. Distributing's continuing ownership of any Remainder Shares until its disposition within    years after the Distribution will not adversely impact the qualification of the External Spin-Off under sections 355 and 368(a)(1)(D) and will not be in pursuance of a plan having as one of its principal purposes the avoidance of US federal income tax for purposes of section 355(a)(1)(D)(ii).

17. Any payments made between any of Distributing and Controlled and their respective affiliates under any of the Continuing Arrangements regarding liabilities, indemnities, or

other obligations that (i) have arisen or will arise for a taxable period ending on or before the date of the Distribution or for a taxable year beginning before and ending after the date of the Distribution and (ii) will not become fixed and ascertainable until after the Distribution will be characterized in a manner consistent with the proper treatment if such payments or transfers had occurred immediately before the Distribution. See *Arrowsmith v. Commissioner*, 344 U.S. 6 (1952) and Revenue Ruling 83-73, 1983-1 C.B. 84.

18. The receipt by Distributing public shareholders of cash in lieu of fractional shares, if any, of Controlled stock will be treated for US federal income tax purposes as if the fractional shares had been distributed to the Distributing public shareholders as part of the Distribution and then had been disposed of by such shareholders for the amount of such cash in a sale or exchange. The gain (or loss) recognized (determined using the basis allocated to the fractional shares in Ruling 12), if any, will be treated as capital gain (or loss) under section 1001, provided the stock was held as a capital asset by the selling shareholder. Such gain (or loss) will be short-term or long-term capital gain (or loss) determined using the holding period determined in Ruling 14.

19. Following the Distribution, Controlled will not be a successor of Distributing for purposes of section 1504(a)(3). Therefore, Controlled and its direct and indirect subsidiaries that are “includible corporations” under section 1504(b) and satisfy the ownership requirements of section 1504(a)(4) will be members of an affiliated group of corporations eligible to file a consolidated US federal income tax return with Controlled as the common parent.

20. Distributing’s or Controlled’s Post-Closing Share Repurchases will not constitute “evidence of device” within the meaning of Treasury Regulations section 1.355-2(d)(1).

21. To the extent any Post-Closing Share Repurchases are treated as part of a plan (or series of related transactions) with the Proposed Transaction for purposes of section 355(e), such Post-Closing Share Repurchases will be treated as being made from all public shareholders (defined as a shareholder who is not a “controlling shareholder” or “ten-percent shareholder” within the meaning of Treasury Regulations sections 1.355-7(h)(3) and (14)) of Distributing or Controlled, as applicable, on a pro rata basis for purposes of testing the effect of such Post-Closing Share Repurchases on the Proposed Transaction under section 355(e) and Treasury Regulations section 1.355-7.

### **Caveats**

Except as expressly provided herein, no opinion is expressed or implied concerning the tax treatment of the Proposed Transaction under any provision of the Code and regulations or the tax treatment of any condition existing at the time of, or effects resulting from, the Proposed Transaction that is not specifically covered by the above rulings.

**Procedural Statements**

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

A copy of this ruling letter must be attached to any income tax return for which it is relevant. Alternatively, a taxpayer filing its return electronically may satisfy this requirement by attaching a statement to its federal income tax return that sets forth the date and control number of this ruling letter.

Sincerely,

---

Mark J. Weiss  
Chief, Branch 2  
Office of Associate Chief Counsel (Corporate)

cc: